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BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C.

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

In Re Applications of

MM DOCKET No. 93-95

JUDY YEP HUGHES

BPH-911115MT

ERIC R. HILDING

BPH-911115MR

For construction permit  
for a new FM Station on  
Ch 281A at Windsor, CA

DOCKET FILE COPY ORIGINAL

To: The Commission

JOINT PETITION FOR APPROVAL OF AGREEMENT AND DISMISSAL OF  
APPLICANT

Judy Yep Hughes ("Hughes") and Eric R. Hilding ("Hilding") hereby petition pursuant to Section 73.3525 of the Commission's Rules for approval of the Settlement and Merger Agreement ("Agreement") attached as Exhibit A hereto. The Agreement provides for the merger of the interests of Hughes and Hildings in their above-referenced applications into a new corporate entity, New Corp, the equity of which will be equally owned by Hughes and Hilding, amendment of Hughes application to specify New Corp in place of Hughes as the surviving applicant and dismissal Hilding's application contingent upon grant of the New Corp application.

The Agreement includes a certification, at paragraph 22, to the effect that neither party filed its application for the purpose of entering into or carrying out a settlement agreement. Attached to this Petition are Declarations from Hughes and Hilding attesting to the fact that Hughes has not paid or promised Hilding any consideration to secure the dismissal of his application secure other


0-14

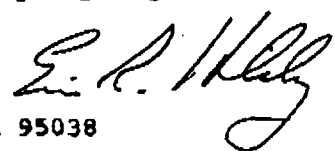
than the consideration consisting of a fifty percent equity interest in New Corp and New Corp's agreement to employ Hilding as a consultant in connection with the construction and initial operations of New Corp's Windsor, California, FM station, which is recited in the Agreement.

Approval of the Agreement would serve the public interest as it will obviate the need for further proceedings with respect to the mutually exclusive applications for Hughes and Hilding, thereby conserving the resources of the Commission and the parties, and it will hasten the day when a new FM service will be established in Windsor, California.

WHEREFORE, for the foregoing reasons, it is respectfully requested that the Agreement be approved, that Hilding's application of be dismissed with prejudice and that the amended application reflecting the merger of the interests of Hughes and Hilding in a new corporate entity, New Corp, be granted.

Respectfully submitted,

  
David Tillotson  
4606 Charleston Terrace, N.W.  
Washington, DC 20007  
Tel: 202/625-6241  
Attorney for Judy Yap Hughes

Eric R. Hilding   
P.O. Box 1700  
Morgan Hill, CA 95038  
Pro se

September 4, 1996

# EXHIBIT A

## SETTLEMENT AND MERGER AGREEMENT

This Agreement is made and entered into as of the 30th day of August, 1996, by and between Judy Yep Hughes ("Hughes") and Eric R. Hilding ("Hilding"):

### W I T N E S S E T H:

**WHEREAS,** The parties to this agreement have pending before the Federal Communications Commission ("FCC") applications for a construction permit for a new FM radio station to operate on Channel 281A at Windsor, California, which applications are mutually exclusive with one another and have been the subject of extensive proceedings in MM Docket 93-95 (the "Proceedings");

**WHEREAS,** The parties each have agreed to a settlement of the Proceedings, subject to FCC consent, in accordance with the terms of this agreement;

**WHEREAS,** A settlement of the Proceedings will serve the public interest by obviating the need for any further hearings, thereby conserving the resources of the private parties and the FCC and hastening the day when a new FM radio service will be established at Windsor, California;

**NOW, THEREFORE,** in consideration of the foregoing and the mutual promises herein contained, the parties hereto, intending to be legally bound, agree as follows:

1. On the date that an FCC action approving this agreement becomes a "final order" as hereafter defined (the "Merger Date"), the parties shall merge their interests in their respective

applications into a new corporation ("New Corp") which will be formed immediately following the execution of this Agreement to provide a vehicle for implementing the settlement and merger provided for herein.

2. New Corp will be incorporated in the State of California. New Corp's articles of incorporation shall authorize it to issue 100 shares of Class A Common Stock and 100 share of Class B Common stock. The articles will provide that the Class A and Class B Common Stock shall be identical in all respects except that Class A Common Stock will bear full voting rights and the Class B Common Stock will not bear any voting rights with respect to any matters except the following:

(a) Any proposal for the sale or other disposition of all or substantially all of New Corp's assets,

(b) Any proposal to authorize the issuance of additional shares of New Corp's capital stock or the issuance of any securities or debt instruments convertible into equity of the corporation, and

(c) Any proposal for New Corp to borrow money in excess of loans in the aggregate amount of \$275,000.

3. On the Merger Date, New Corp shall issue all of its authorized Class A Common Stock to Hughes and shall issue all of its authorized Class B Common Stock to Hilding. As security of the performance by New Corp of this obligation, within thirty (30) days

after the execution of this Agreement, Hughes, as the incorporator and sole officer and director of New Corp shall deliver a certificate for the shares of the Class A Common Stock to be issued to her on the Merger Date and a certificate for the shares of the Class B Common Stock to be issued to Hilding on the Merger Date, duly signed by Hughes in her capacity as President of New Corp, to David Tillotson, Esq. ("Escrow Agent") who shall hold the certificates in escrow and deliver them to the parties pursuant to the terms of this Agreement. Within thirty (30) days of the execution of this Agreement, both Hughes and Hilding shall deliver to Escrow Agent a stock power, endorsed in blank (the "Hughes Stock Power" and the "Hilding Stock Power"), to be held and disposed of by Escrow Agent in accordance with the terms of this Agreement.

4. Within five (5) business days of the execution of this Agreement, the parties hereto shall take the following actions:

(a) Hughes shall file a petition for leave to amend her application to specify New Corp as the applicant.

(b) Hughes and Hilding shall file a joint petition pursuant to Section 73.3525 of the FCC's Rules, together with such other documents as may be required by that section, requesting that the FCC approve this Agreement, dismiss Hilding's application, and grant Hughes' application as amended to specify New Corp in place of Hughes as the applicant. The parties shall cooperate

fully with one another and take whatever additional action as may be necessary or appropriate to obtain FCC approval of, and to effectuate, this Agreement.

5. The funds necessary for the construction of the Station and to provide operating capital, not to exceed \$275,000 in the aggregate, shall be lent to New Corp by Hughes and the loans of the construction and operating monies shall be secured by a pledge of all of the tangible and intangible assets of New Corp pursuant to a security agreement and UCC financing statements.

6. For a period of thirty (30) days beginning with the earlier of (i) the first anniversary of the date on which New Corp's Windsor, California, FM station commences operations pursuant to program test authority or (ii) the date which is fifteen (15) months the Merger Date (the "Initial Option Period"), Hughes shall have the right, at her option (the "First Hughes Option"), to purchase all, but not less than all, of Hilding's stock in New Corp for One Hundred Thousand Dollars (\$100,000.00). To exercise this option, Hughes must send a written notice that she is exercising the First Hughes Option to Escrow Agent along with a certified or cashier's check payable to Hilding in the amount of One Hundred Thousand Dollars (\$100,000.00) on or before the end of the Initial Option Period. Upon receipt of written notice that Hughes has exercised the First Hughes Option and the certified check within the Initial Option Period, Escrow Agent

shall promptly, and at all events within five (5) business days, send the Certified Check to Hilding and the Certificate for Hilding's stock of New Corp together with the Hilding Stock Power, to Hughes. If Hughes fails give notice of her exercise of the First Hughes Option, accompanied by the certified check for the purchase price for Hilding's stock, to the Escrow Agent within the Initial Option Period the First Hughes Option will automatically terminate at the end of said period.

7. For a period of sixty (60) days following the termination of the First Hughes Option (the "Hilding Option Period"), Hilding shall have the right, at his option (the "Hilding Option") and subject to obtaining the written consent of the FCC to a transfer of control of New Corp, to purchase all, but not less than all, of Hughes' New Corp stock for One Hundred Fifty Thousand Dollars (\$150,000.00). To exercise the Hilding Option, Hilding must send a written notice that he is exercising the Hilding Option to Escrow Agent along with either (i) a certified or cashier's check payable to Hughes in the amount of One Hundred Fifty Thousand Dollars (\$150,000.00) and a certified or cashier's check payable to Hughes in the full amount of New Corp's indebtedness to Hughes with respect to loans made by Hughes to New Corp for the construction and operation of the Windsor FM station, but to a maximum of Two Hundred Seventy-Five Thousand Dollars (\$275,000.00) on or (ii) a irrevocable letter of credit drawn on a bank reasonably acceptable

guaranteeing that the purchase price for Hughes' stock and the repayment of New Corp's debt to Hughes will be made immediately following a final FCC order consenting to the transfer of control of New Corp to Hilding, before the end of the Hilding Option Period. Upon receipt of written notice that Hilding has exercised the Hilding Option and delivered the certified checks or irrevocable letter of credit as required for a valid exercise of the Hilding Option within the Hilding Option Period, Escrow Agent shall promptly, and at all events within five (5) business days, send Hughes and Hilding written notice that the Hilding Option has been exercised, whereupon, Hughes and Hilding shall expeditiously, and in all events within thirty (30) days of the giving of such notice by Escrow Agent, jointly file an application with the FCC for consent to transfer control of New Corp from Hughes to Hilding (the "Transfer Application") with Hilding being solely responsible for the payment of the filing fee for such application. Hilding and Hughes shall diligently and in good faith prosecute the Transfer Application. Within five (5) business days after an FCC action granting the Transfer Application has become a "final order" as defined hereinafter, Escrow Agent shall deliver to Hughes the certified checks or letter of credit for the purchase price for Hughes' stock and for the satisfaction of New Corp's debt obligations to Hughes and shall deliver the Certificate for Hughes's stock of New Corp together with the Hughes Stock Power, to

Hilding. If Hilding fails to give notice of his exercise of the Hilding Option, accompanied by the certified checks or irrevocable letter of credit for the purchase price for Hughes' stock and for the repayment of Hughes' loans to New Corp to the Escrow Agent within the Hilding Option Period the Hilding Option will automatically terminate at the end of said period.

8. So that Hilding can make an informed decision as to whether to exercise the Hilding Option, beginning with the first day of the Initial Option Period and continuing until the time that Hughes exercises the First Hughes Option or, if she does not exercise that option, the exercise or expiration of the Hilding Option, New Corp will provide Hilding and his representatives with reasonable access to the books and records of the corporation relating to the assets, business, operations and financial condition of the company. Hilding agrees that information, data and materials relating to the business and operations of the station which is made available to him or his representatives pursuant to this Section are to be kept confidential and that (i) prior to Closing on the acquisition of Hughes' stock, will not disclose or otherwise make available, at any time, any such information, data or material to any person except his counsel and lenders or prospective lenders who have agreed to keep the information confidential; (ii) will protect such information, data and material with a high degree of care to prevent the disclosure thereof; and (iii) if, he does not exercise

the Hilding Option or if, after exercising it, the purchase of Hughes' stock pursuant to the Hilding Option is not consummated, all information, data or material concerning the business, operations and financial condition of New Corp obtained by or disclosed to Hilding and his representatives, and all copies thereof, will be returned to New Corp.

9. If neither the First Hughes Option nor the Hilding Option are exercised, or in the event that following exercise of the Hilding Option, the FCC issues a final order denying the Transfer Application, then, for a period of thirty (30) days beginning with the later of (i) the first anniversary of the commencement of the Initial Option Period or (ii) the FCC action denying the Transfer Application becomes a final order (the "Final Option Period"), Hughes shall have the right, at her option (the "Second Hughes Option"), to purchase all, but not less than all, of Hilding's stock in New Corp for One Hundred Fifty Thousand Dollars (\$150,000.00). To exercise this option, Hughes must send a written notice that she is exercising the Second Hughes Option to Escrow Agent along with a certified or cashier's check payable to Hilding in the amount of One Hundred Fifty Thousand Dollars (\$150,000.00) on or before the end of the Final Option Period. Upon receipt of written notice that Hughes has exercised the Second Hughes Option and the certified check within the Final Option Period, Escrow Agent shall promptly, and at all events within five (5) business

days, send the Certified Check to Hilding and the Certificate for Hilding's stock of New Corp together with the Hilding Stock Power, to Hughes. If Hughes fails give notice of her exercise of the Second Hughes Option, accompanied by the certified check for the purchase price for Hilding's stock, to the Escrow Agent within the Final Option Period, the Second Hughes Option will automatically terminate at the end of said period.

10. If all of the option periods provided for in this agreement expire without the options being exercised, the parties hereto agree that New Corp's Windsor FM station shall be listed for sale with a media broker mutually acceptable to both Hughes and Hilding who will be instructed to conduct an appraisal of the station and then to solicit offers to purchase the station. The parties further agree to vote their stock of New Corp to accept any offer for the purchase of the station which is for at least ninety percent (90%) of the value of the station established by the media broker's appraisal and is either (i) an all cash offer or (ii) a terms offer which provides for (a) sufficient cash to satisfy all of New Corp's debt obligations to other than Hughes and at least fifty percent (50%) of New Corp's debt obligations to Hughes, at Closing, (b) interest on the deferred portion of the purchase price at least two percent (2%) above the prime rate at the time of the offer and (c) amortization of the deferred portion of the purchase price, with interest, in five (5) years or less. The parties will

use their best good faith efforts to agree upon the media broker with whom the station will be listed pursuant to this Section; however, in the event that they fail to agree to a media broker within thirty (30) days of the expiration of the Second Hughes Option Period, they will meet within five (5) days of that date at a mutually agreeable location, each write the names of up to three media brokers on a slip of paper, place the slips of paper in a bowl or sack, and ask a neutral third party to draw one slip of paper. The station shall be listed for sale pursuant to this section with the broker whose name is written on the slip of paper that is drawn.

11. On the Merger Date, New Corp will enter into the Consulting Agreement with Hilding attached as Exhibit A hereto. In the event that Hilding terminates the Consulting Agreement due to New Corp's failure to pay the monthly fee when due pursuant to Section 8(b) of that agreement, (i) the First Hughes Option shall be forfeited, (ii) the Hilding Option Period shall be moved forward to the date that is thirty (30) days after the termination of the Consulting Agreement and (iii), if Hilding does not exercise the Hilding Option, the Second Hughes Option Period shall be moved forward to commence on the date which is one year after the termination of the Consulting Agreement.

12. The obligations of the parties under this Agreement are expressly conditioned upon the FCC taking final action approving

this Agreement, dismissing Hilding's application and granting Hughes' application as amended to substitute New Corp as the applicant within six (6) months of the date hereof. In the event that the FCC does not take such action within the specified time period, either party may, at its option, cause this Agreement to be terminated by giving written notice to the other party provided that the party electing to terminate is not in material default in the performance of any of its obligations hereunder.

13. As used in this Agreement, the term "final action" means any action by the FCC that, by lapse of time or otherwise, is no longer subject to administrative or judicial reconsideration, review, appeal or stay.

14. The parties hereto represent to one another that they each have the power and authority to enter into and carry out this Agreement and that this Agreement constitutes a valid and binding obligation enforceable against each of them in accordance with its terms. The parties further represent to one another that they will perform their obligations and exercise their rights hereunder in good faith and that they will neither take any action, or encourage others to take any action, which could reasonably be expected to delay or interfere with obtaining FCC approval of this agreement or the exercise of any right of the other party hereunder.

15. Except for the right of either party to enforce the provisions of or any determination made pursuant to this section,

the parties agree to resolve any disputes arising out of or in connection with this Agreement as provided in this section.

(a) The parties agree to use their best good faith efforts to resolve any dispute arising under this Agreement between themselves. If, notwithstanding such good faith efforts, any dispute arising hereunder has not been resolved within fifteen (15) days of the date either party gives the other notice that it intends to invoke the provisions of this section, each party will immediately select an independent expert qualified to evaluate the matter in dispute which experts will, within five (5) days of their appointment, select a third expert with similar qualifications (the "Dispute Panel").

(b) Each party may submit such materials as it may elect to the Dispute Panel provided that a copy of such material is delivered by hand or overnight courier to the other party. Neither party will contact any member of the Dispute Panel to discuss the dispute unless the other party is present in person or by conference telephone call or the other party consents. The Dispute Panel will request and review such information as its members deem necessary to resolve the dispute. The Dispute Panel and each party will treat all information received by it as confidential and will destroy such information when the dispute is resolved. The Dispute Panel will resolve the matters presented to it so as to give each Party the benefit of its bargain by applying the provisions of this Agreement and, to the extent the Agreement is not dispositive, the customs and practices which, in the view of Dispute Panel, are

common to transactions of this nature. The Dispute Panel will render its decision as soon as possible, but in any event, within thirty (30) days of the appointment of the third expert. The decision will be in writing and signed by each member of the dispute panel. The Dispute Panel will not have the power to award monetary damages to either party except to the extent that it is empowered pursuant to subsection (d) of this section to direct a party to pay the costs and fees of the Dispute Panel plus the other party's attorney's fees. Any third party may rely upon an original copy of the written decision or a copy of the decision certified by any member of the Dispute Panel as evidence of the decision.

(c) The decision of a majority of the members of the Dispute Panel will be binding and final with respect to both parties and may be enforced by seeking preliminary and permanent injunctive relief or entry of a judgment by a court of competent jurisdiction.

(d) Each party will bear the costs and fees of the expert appointed by it plus half of the costs and expenses of the third expert. If the Dispute Panel determines by majority decision that the position of a party lacks substantial merit or was taken primarily to delay or otherwise impair the business efforts of the other party, or to obstruct the other party from its rightful entitlements pursuant to the intent of this Agreement, then that party will pay the costs and fees of all the members of the panel plus the other party's reasonable attorney's fees.

16. In consideration of the fact that Hilding has agreed to

accept a nonvoting position in New Corp and to entrust the management of the Station to Hughes, Hughes agrees to indemnify Hilding and hold him harmless against any and all liability arising out of Hughes' mismanagement of the Station, its assets or its finances, and Hughes further agrees to include a provision in New Corp's by-laws reflecting this indemnification undertaking of Hughes.

17. Unless otherwise provided for in this Agreement, all notices, requests, demands and other communications relating to this Agreement shall be in writing and shall be delivered by U.S. Postal Service Express Mail or by an overnight air courier service, addressed as follows:

If To Hughes by Express Mail:

Judy Yep Hughes  
P.O. Box 968  
Healdsburg, CA 95448

If to Hughes by air courier

Judy Yep Hughes  
2212 Lytton Springs Road  
Healdsburg, CA 95448

If to Hilding by Express Mail:

Mr. Eric R. Hilding  
P.O. Box 1700  
Morgan Hill, CA 95038

If sent to Hilding by air courier:

Mr. Eric Hilding  
c/o 12130 Calle Uvas  
Gilroy, CA 95020

If to Escrow Agent:

David Tillotson, Esquire  
4606 Charleston Terrace, N.W.  
Washington, D.C. 20007-1911

A Notice pursuant to this section shall be conclusively deemed to have been given on the day following the date that the Notice has been delivered to the Postal Service or air courier service as evidenced by the shipping invoice.

18. This Agreement, including Exhibit A hereto, constitutes the entire understanding of the parties and no other consideration, action, or forbearance is contemplated or relied upon by them.

19. Neither party may assign its rights or obligations hereunder without the express written consent of the other party. Subject to the foregoing, this Agreement shall inure to the benefit of, and shall be binding upon, the parties hereto and their heirs, successors, legal representatives and assigns.

20. This Agreement may be executed in one or more counterparts and the Agreement shall be binding when it has been executed by all of the parties.

21. The law of the State of California shall govern the enforcement and construction of this Agreement.

22. By signing this Agreement, the parties hereto warrants to one another and to the Federal Communications Commission, under penalty of perjury, that they did not file their respective applications with the intention of reaching or carrying out a settlement agreement.

**IN WITNESS WHEREOF**, the parties have executed this Agreement  
as of the date first set forth above.

\_\_\_\_\_  
Judy Yep Hughes

\_\_\_\_\_  
Eric R. Hilding

## **CONSULTING AGREEMENT**

This Agreement, made and executed as of \_\_\_\_\_, \_\_\_\_\_, by and between New Corp (the "Company") and Eric R. Hilding ("Consultant").

### **WITNESSETH THAT:**

WHEREAS, The Company is the permittee of a newly authorized FM station in Windsor, California (the "Station") and desires to retain the services of Consultant in connection with the planning for and construction of the Station and developing the programming and business operations of the Station;

WHEREAS, Consultant desires to provide consulting services to the Company on the terms and conditions set forth herein.

NOW, THEREFORE, in order to carry out the mutual desires of the Company and Employee, the parties promise and agree as follows:

1. **CONSULTING SERVICES.** During the term of this Agreement, consultant shall make himself available to the Company by telephone and, upon reasonable advance notice at the studios and/or transmitter site of the station, to provide advice and assistance regarding such matters as the acquisition and installation of equipment for the Station, designing the Station's offices and studios, developing the Station's programming format and acquiring programming, and, after the Station is operational, the overall supervision of the Station's technical and programming operations. The parties acknowledge that it is not practical to set definitive time requirements for the performance of the consulting services that Consultant is to perform on behalf of the Company; however, the parties expect that Consultant will devote, on average, at least ten hours per week to the performance of such services and the Company shall have the right to require that Consultant actually devote at least 40 hours to the performance of consulting services on behalf of the Company in each calendar month during the term of this Agreement, provided that the number of hours that Consultant can be required to perform services under this Agreement shall be prorated for any partial month.

2. **TERM.** The term of this Agreement shall begin on the date hereof, and shall continue until the date that is ten (10) months after the commencement date, provide that the Company shall have the right, at its sole option, to extend the term for an additional six (6) months by giving Consultant written notice of its exercise of this option at least thirty (30) days prior to the extension of the original term.

3. **COMPENSATION.** Employee shall receive as Consultant's entire compensation for all the services rendered under this Agreement or otherwise as a consultant to the Company, a monthly fee of Five Thousand Dollars (\$5,000.00), which fee shall be paid to Consultant, in advance, on the date of execution of this Agreement and on the same day of each succeeding month during the term of this Agreement, including any extension of the term. In addition to being paid the monthly fee, Consultant will be reimbursed by the Company for his reasonable out of pocket expenses for travel (at 29 cents/mile), meals and lodging, long distance

telephone and fax, within fifteen (15) days after Consultant presents a request for reimbursement, accompanied by itemized receipts, to the Company.

5. **EXCLUSIVE CONSULTING SERVICES.** Consultant agrees to render Consultant's best efforts to advise and assist the Company in constructing the Station and developing the Station's programming and business of the Station, and Consultant shall not render any services of the kind and nature provided for under this Agreement, either directly or indirectly, to any other AM or FM radio station which provides primary service to any portion of the Station's primary service area without the Company's express written consent.

6. **TRADE SECRETS.** Consultant agrees not to divulge, disclose, or communicate, directly or indirectly, to any other party any confidential information or trade secrets concerning matters affecting or relating to any aspect of the Company's business. Consultant further agrees that all client lists, policy manuals, sales promotional material, tapes and records, and similar items shall be considered the Company's property, and that Consultant shall not obtain any right, title, or interest in or to such items by virtue of Consultant's rendering services to or on behalf of the Company.

7. **COVENANT NOT TO COMPETE.** Consultant agrees that during the term of this Agreement and for a period of one (1) year following the termination of this Agreement, Consultant will not perform services for or have any direct or indirect interest in or connection or involvement with any AM or FM radio station which provides primary service within any portion of the area that receives primary service from the Station.

8. **TERMINATION.**

(a) **By The Company For Cause.** The Company may terminate this Agreement at any time effective as of the day that written notice of such termination is given to Consultant for "cause." "Cause" is defined to mean (i) Consultant's failure, neglect, or refusal to carry out Consultant's obligations hereunder properly and in good faith, except when excused by reason of accident or illness; and (iii) Employee's breach of this Agreement.

(b) **By Consultant.** Consultant may terminate this Agreement if the Company fails to pay the monthly fee when due and such failure continues for five (5) days following written notice to the Company that a monthly fee payment has not been received.

9. **BINDING AGREEMENT.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns; but Consultant shall in no event have the right, without the written consent of the Company, to assign any of Consultant's obligations hereunder.

**10. NOTICES.** All notices, requests, demands and other communications relating to this Agreement shall be in writing and shall be delivered by U.S. Postal Service Express Mail or by an overnight air courier service, addressed as follows:

If To Hughes by Express Mail:  
Judy Yep Hughes  
P.O. Box 968  
Healdsburg, CA 95448

If to Judy Hughes by air courier

Judy Yep Hughes  
2212 Lytton Springs Road  
Healdsburg, CA 95448

If to Hilding by Express Mail:

Mr. Eric R. Hilding  
P.O. Box 1700  
Morgan Hill, CA 95038

If to Hilding by air courier:

Mr. Eric Hilding  
c/o 12130 Calle Uvas  
Gilroy, CA 95020

**11. DISPUTES.** Any disputes arising under or in connection with this Agreement shall be resolved pursuant to the disputes resolution procedures specified in Section 14 of the Settlement and Merger Agreement between Consultant and Judith Yep Hughes dated as of August 30, 1996, to which the form of this Agreement is attached as Exhibit A.

**14. ENTIRE AGREEMENT.** This instrument contains the entire agreement of the parties with respect to the consulting services to be provided to the Company by Consultant, and supersedes any previous employment agreement between the parties. It may not be changed orally but only by an agreement, in writing, signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

[Signatures on Next Page]

IN WITNESS WHEREOF, the parties hereto have executed this Consulting Agreement as of the date first written above.

**NEW CORP**

By: \_\_\_\_\_  
Judith Yep Hughes, President

**CONSULTANT**

\_\_\_\_\_  
Eric R. Hilding

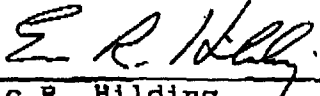
**DECLARATION**

Eric R. Hilding hereby declares under penalty of perjury of the laws of the United States as follows:

1. I am an applicant for a new FM station to operate on Channel 281A at Windsor, California (BPH-911115MR).

2. I have entered into a Settlement and Merger Agreement with Judy Yap Hughes ("Hughes") who has filed an application for a new FM station on Channel 281A at Windsor, California (BPH-911115MT) that is mutually exclusive with my application pursuant to which Hughes and I agreed to merge our interests in our respective applications in a new corporation, New Corp, the equity of which will be equally owned by the two of us and I have agreed to dismiss my application contingent upon grant of the New Corp application.

3. I have not been paid or promised any consideration for the dismissal of my application other than that which is expressly stated in the Settlement and Merger Agreement.

  
Eric R. Hilding

Date: September 4, 1996

08/04/88 07:01  
9-04-1996 9:57AM

707 433 7086  
FROM

HUGHES & COMPANY

001/001

P. 1

#### DECLARATION

Judy Yep Hughes hereby declares under penalty of perjury of the laws of the United States as follows:

1. I am an applicant for a new FM station to operate on Channel 281A at Windsor, California (BPH-911115MT).

2. I have entered into a Settlement Agreement with Eric R. Hilding ("Hilding") who has filed an application for a new FM station on Channel 281A at Windsor, California (BPH-911115MR) that is mutually exclusive with my application pursuant to which Hilding and I have agreed to merge our interests in our respective applications in a new corporation, New Corp, the equity of which will be equally owned by the two of us and Hilding has agreed to dismiss his application contingent upon grant of the New Corp application.

3. I have not paid or promised any consideration to Hilding to secure the dismissal of his application other than that which is expressly stated in the Settlement and Merger Agreement.

  
Judy Yep Hughes

Date: September 4, 1996

CERTIFICATE OF SERVICE

I, David Tillotson, do hereby certify that a copy of the foregoing JOINT PETITION FOR APPROVAL OF AGREEMENT AND DISMISSAL OF APPLICANT has been hand delivered this 5th day of September, 1996, to:

Robert Zauner, Esq.  
Federal Communications Commission  
Mass Media Bureau  
Hearing Division, Room 7212  
2025 M Street, N.W.  
Washington, DC 20054

John Riffer, Esq.  
Federal Communications Commission  
Office of the General Counsel  
Room 610  
1919 M Street, N.W.  
Washington, DC 20554



David Tillotson